



STATE BOARD OF EQUALIZATION

220 N STREET, SACRAMENTO, CALIFORNIA  
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

(916) 445-4982

GEORGE R. REILLY  
First District, San Francisco

IRIS SANKEY  
Second District, San Diego

WILLIAM M. BENNETT  
Third District, San Rafael

RICHARD NEVINS  
Fourth District, Pasadena

KENNETH CORY  
Controller, Sacramento

DOUGLAS D. BELL  
Executive Secretary

No. 78/80

May 1, 1978

TO COUNTY ASSESSORS:

WORKS OF ART ON CONSIGNMENT

The Attorney General has recently issued Opinion Number CV 77/187, March 1, 1978, on the valuation and proper assessee of a work of art on consignment.

Following are the questions directed to the Attorney General and his conclusions:

- Questions:
- (1) In the case of a revocable assignment, to whom may or must a work of art be assessed, the artist-consignor, the gallery-consignee, or both?
  - (2) Would the answer to the foregoing question be any different if the consignment were irrevocable during a specified period of time?
  - (3) Once a work of art has been exhibited for sale on consignment with a commission arrangement based on a proposed selling price, how must the work of art be valued?

- Conclusions:
- (1) A work of art on consignment may be assessed to the artist-consignor, as owner, or to the gallery-consignee, as the person possessing or controlling it on the lien date. It may be assessed to either or both in the county where it is situated if the consignment is made from any place out of this state or from another county in this state.
  - (2) A work of art subject to an irrevocable consignment for a specified period of time should be assessed the same way as a work of art subject to a revocable consignment.
  - (3) A work of art still owned by the artist who created it which has been exhibited for sale on consignment but

TO COUNTY ASSESSORS

-2-

May 1, 1978

which has never been sold nor exhibited for profit should be valued according to the full value of the materials which constitute the work of art, as provided in Revenue and Taxation Code Section 986. "Exhibited for profit," as used in Section 986, means a rental of the work of art or an exhibition for which a fee is charged to view the work.

The Attorney General's conclusions are consistent with those held by the Board.

Sincerely,

*Jack F. Eisenlauer*

Jack F. Eisenlauer, Chief  
Assessment Standards Division

JFE:sk